



# Q3 2022 FINANCIAL RESULTS

## POLIMEX MOSTOSTAL CAPITAL GROUP



Ec Czechnica

FINANCIAL RESULTS FOR 1-3Q 2022

The company carries out specialized investments in Poland and abroad for the energy, petrochemical, gas and environmental protection industries.

It is a producer and an exporter of steel structures and platform gratings. It also provides services in the galvanizing and painting of steel structures.



**Polimex  
Mostostal**  
CAPITAL GROUP

- **MARKET LEADER IN CONSTRUCTION**
- **5 000 EMPLOYEES**
- **700 EPC REFERENCES**
- **77 YEARS OF MARKET PRESENCE**
- **OVER 70 COUNTRIES**
- **5 CONTINENTS**
- **SAFETY LEADER**

**SPÓŁKA NOTOWANA NA  
GPW**

# Segments of Polimex Mostostal Capital Group

Polimex Mostostal Capital Group consists companies operating in the following key sectors:



**POWER SECTOR  
AND SERVICE**



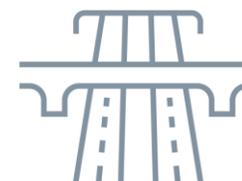
**OIL, GAS  
AND CHEMICAL**



**INDUSTRIAL  
CONSTRUCTION**



**PRODUCTION**



**INFRASTRUCTURE**



**EQUIPMENT  
BASE**



# Business segments (1/2)



## POWER SECTOR AND SERVICE



**Polimex Energetyka** – our excellent industry expertise and knowledge of energy facilities allow us to comprehensively implement organizationally and technically challenging, highly complex turnkey projects in the power sector. We operate both in Poland and the EU providing services for the following:

- CHP plants,
- power plants,
- heating plants,
- environmental protection facilities.

We deliver high-quality services with a special focus on safety and environmental protection. We apply customized solutions devised to comply with the requirements of specific projects.

**Energomontaż-Północ Belchatów S.A.** – a leading construction company specializing in the manufacturing and assembly of steel structures, power equipment and in the comprehensive implementation of industrial facilities. The acquisition of control of the company by the Capital Group took place in October 2019.



## OIL, GAS AND CHEMICALS



**Naftoremont-Naftobudowa** – we operate in a wide variety of industries, ranging from refinery, petrochemical, chemical, power, coke oven and environmental protection in Poland and the European Union. We are the undisputed leader in the construction of liquid fuel tanks.

We specialize in the construction, service and modernization of production facilities and installations in Poland and abroad for the following:

- chemical plants,
- kerosene refineries,
- biodiesel and bioethanol plants,
- liquid fuel storage facilities,
- gas terminals.





## INDUSTRIAL AND INFRASTRUCTURE CONSTRUCTION



**Polimex Budownictwo and Polimex Infrastruktura** – we offer comprehensive services in the segment of industrial and general construction in the formula of a General Contractor (GC). The Company's offer is based on the following pillars:

### Industrial and cubature construction

- production facilities,
- warehouses and logistics centres,
- sewage treatment plants and other environmental protection facilities.

### Infrastructure and general construction

- design and construction of road, bridge and hydrological facilities,
- design and construction of cubature structures,
- office buildings, shopping centres and multiplexes,
- performance and sports halls, educational and sports facilities and stadiums,
- government buildings,
- power plants, CHP plants and heat plants,
- distributed energy, environment protection.

**Instal-Lublin S.A.** is one of the biggest installation service companies in Poland, specialized in works on industrial, housing and utility investments. Scope of the service includes assembly of heat, ventilation, sanitary and technological installations, also external water-pipe network, sewage, heat and gas systems with designing. In GK PxM from April 2021.



## PRODUCTION



**Mostostal Siedlce** – one of the leading European producers of steel structures; specializes in the production of steel structures and platform gratings, as well as in the corrosion protection of steel structures, in particular using the hot-dip galvanization method. The company has a considerable market share in the sales of shipping pallets, pallets for storing gas cylinders, pallets for construction materials, various types of containers, racks, frames and other small structures. The production capacity for steel structures alone is 3,000 tons per month. Over 50% of production is intended for export.

**Stalfa** is a Polish manufacturer of steel and aluminum products widely used in the construction industry, most notably in infrastructure, telecommunications, energy and road engineering.

**Czerwonogradzki Zakład Konstrukcji Stalowych** is one of the largest producers of steel structures in Western Ukraine. The production capacity for steel structures alone is 400 tons per month. Most of the production goes to the Ukrainian market.



- **PLN 118 million net** profit for the third quarter of 2022 – **an increase of PLN 49 million (+71% y/y)**
- **2 873 mln PLN** sales revenue for Q3 2022– **an increase of PLN 1 285 million (+81% y/y)**
- **Order backlog worth - PLN 4,05 billion**
- **Agreements on cooperation in the construction of nuclear power plants with Westinghouse, Bechtel, EDF i Korea Hydro & Nuclear Power**
- A new large production contract - construction of prefabricated, corrosion-protected **steelspans of the of the dam on the border (PLN 478,9 million net the entire executive consortium)**
- A new strategic energy contract - **construction of a gas-fuelled cogeneration source with a capacity of min. 50 MWe based on gas engines and a standby/peak heat source at PGE EC S.A. CHP Branch in Bydgoszcz and the service contract may last for a maximum of 10 years (PLN 359 million PLN + PLN 110 million)**
- A new large infrastructure contract - **construction of a warehouse building PANATONI BTS Zakroczym (EURO 30,0 million)**
- **Distinction for maintaining a high standard of technical safety UDT**



# SELECTED CURRENTLY IMPLEMENTED PROJECTS

# Strategic coal project - Puławy

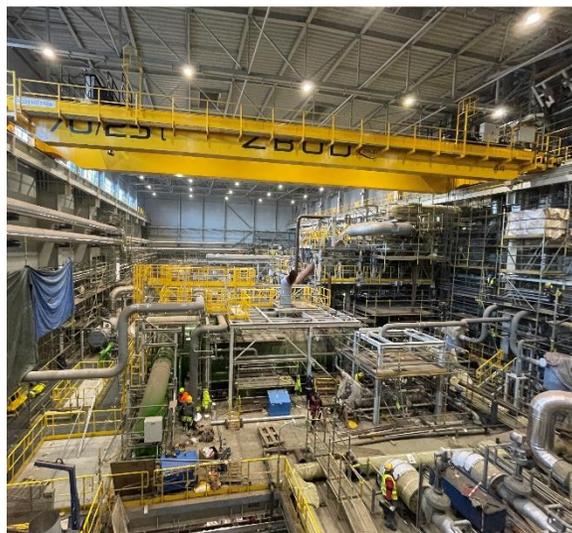
Puławy



New coal power unit with the capacity of 100 MWe and 300 MWt in Grupa Azoty PUŁAWY

- Total net value of the contract: PLN 1 162 million.
- Net share of Polimex Mostostal and Polimex Energetyka PLN 1 152 million
- Time frame for implementation: 10.2019 – 10.2022

Contractor:



# Strategic gas project - Dolna Odra

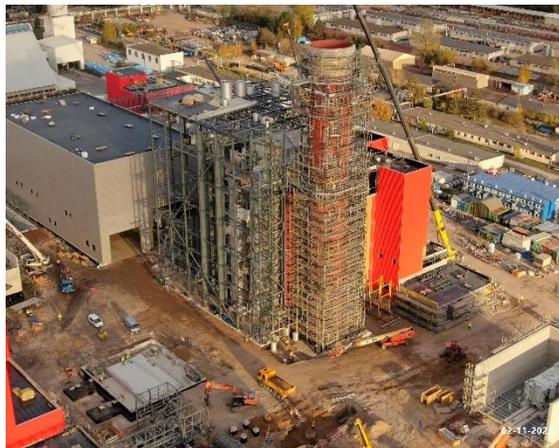
Dolna Odra



Two new gas and steam power units at Dolna Odra Power Plant Branch

- Total value of the contract  
PLN 3 650 million
- Net share of Polimex Mostostal  
PLN 1 517 million
- Time frame for implementation 02.2020 – 12.2023

Contractors:



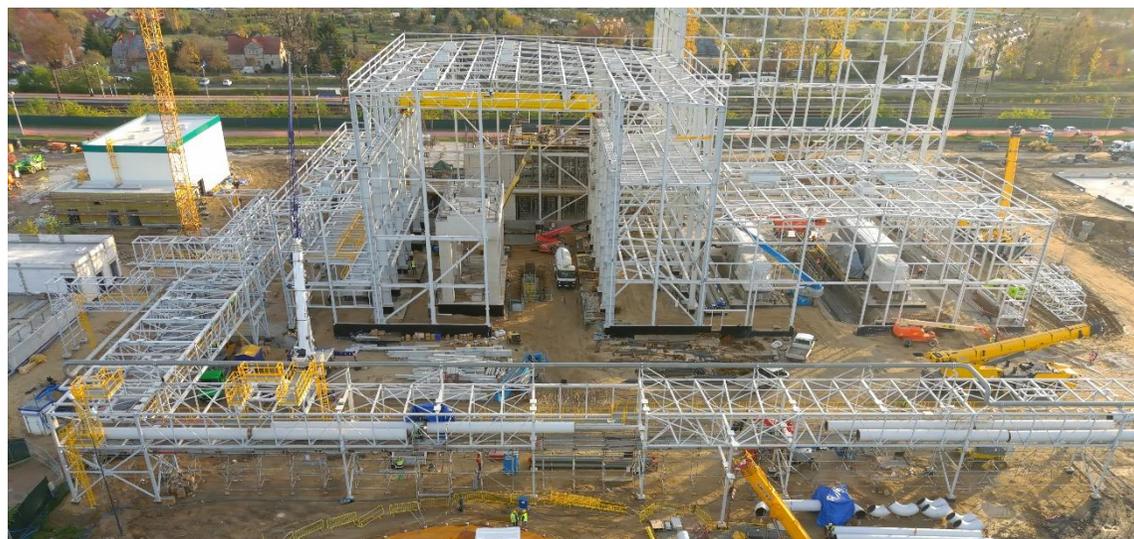
## Siechnice



Gas and steam power unit for  
ZEW KOGENERACJA S.A.

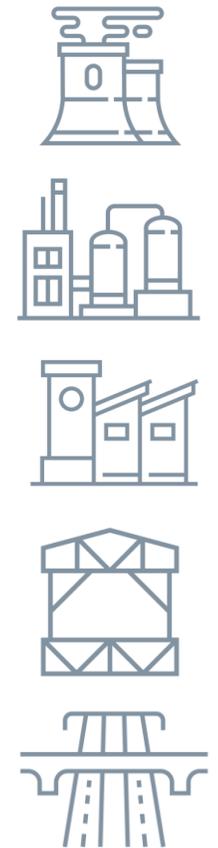
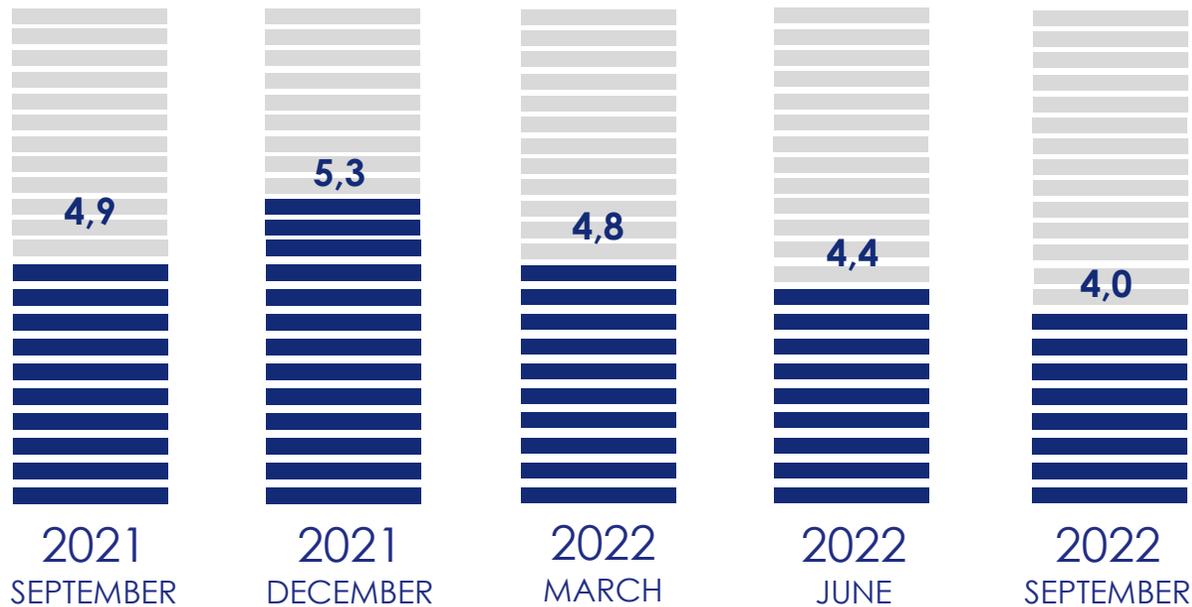
- Total value of the contract  
PLN 1 159 million
- Service contract value PLN 118 million
- Time frame for implementation 07.2021 – 04.2024

## Contractors:



# ORDER BOOK AND VALUE OF CURRENTLY OFFERED PROJECTS

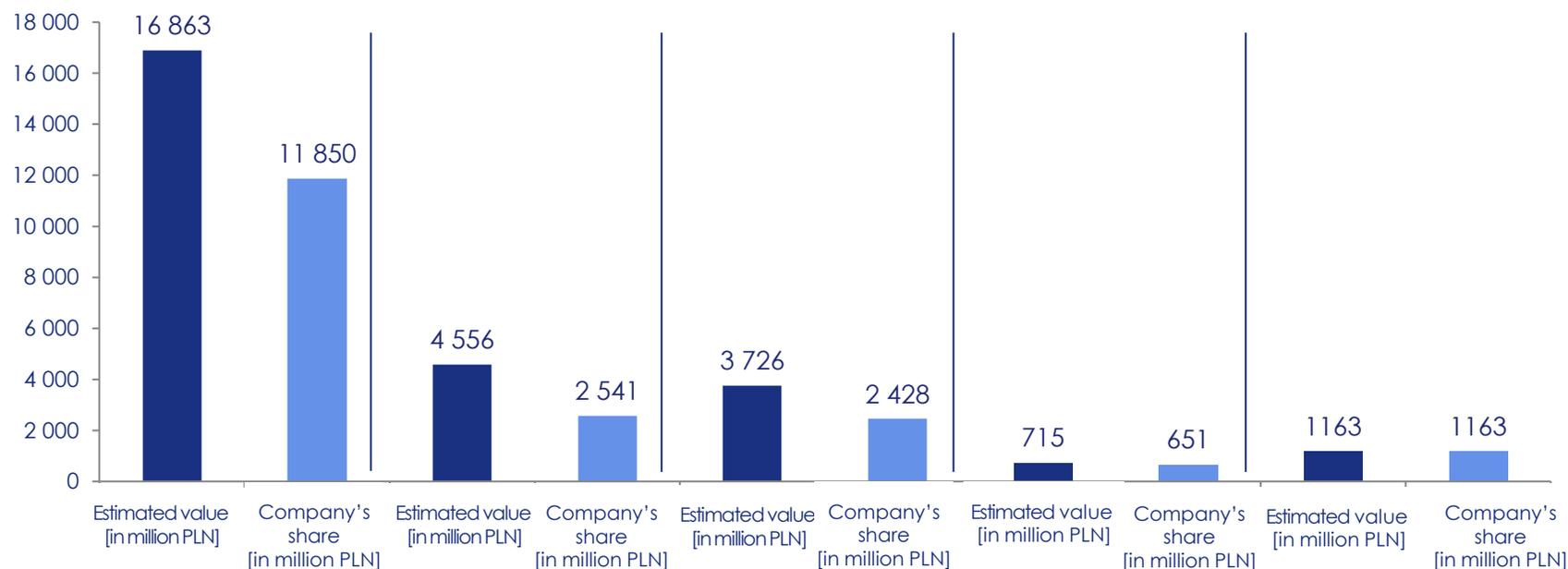
# Polimex Mostostal Capital Group Order Book (in billion PLN)



## Portfel Order portfolio after Q3 2022 in million PLN



# Value of Currently Offered Projects in the Companies (gross)



## Priority projects:

- Construction of a gas and steam unit in Rybnik for PGE Energia Ciepła
- Construction of a gas-steam unit with accompanying infrastructure for PGE Energia Ciepła, branch. Coast in Gdańsk - EC in Gdynia
- Construction of the CCGT gas and steam unit in the Ursus plot in Warsaw EC Ursus for the Veolia Group
- Expansion of the OSBL infrastructure for the Olefiny III installation for ORLEN Olefiny
- Reconstruction of the generation capacity of 200 MW coal-fired units at the Koźienice Power Plant based on gas fuel combustion technology, including the provision of maintenance services for the ENEA Group

## New project as from 01.01.2022 (net amounts in PLN)

- Manufacturing from materials and prefabricated raw-materials of the Contractor, steel fences protected against corrosion (Contract amount: PLN 478,9 million), Client: **Skarb Państwa – Komendant Główny Straży Granicznej (Poland)**
- Construction of a gas-steam unit with a capacity of 50 MWe and subsequent 10-year service in PGE Energia Ciepła Oddział Elektrociepłownia in Bydgoszcz (Contract amount: PLN 359 million + PLN 110 million), Client: **PGE Energia Ciepła S.A. (Poland)**
- Construction of the PANATTONI BTS Zakroczym warehouse building (Contract amount: Euro 30,0 million), Client: **CASTAGNA spółka celowa Panattoni (Poland)**
- Construction of three storage tanks for petroleum products with a capacity of 32.000 m<sup>3</sup> with together with the infrastructure at the Fuel Base No. 4 in Rejowiec (wartość: 113,57 mln PLN), Client: **PERN S.A. (Poland)**
- Construction of four tanks for petroleum products with a capacity of 5.000 m<sup>3</sup> and six with a capacity of 10000 m<sup>3</sup> at the Lotos Refinery in Gdańsk (Contract amount: PLN 112 million), Client: **KT Kinetics Technology S.p.A. (Italy)**
- Design and construction of the Koźmin Wielkopolski ring route within the national route n. 15 (Contract amount: PLN 61,9 million), Client: **Generalna Dyrekcja Dróg Krajowych i Autostrad Oddział in Poznań (Poland)**
- I/C Zryw with connection to the national road DK6 in Wejherowo (Contract amount: PLN 41,9 million), Client: **Gmina Miasta Wejherowa (Poland)**
- Mechanical service of paper machines and devices and service of shafts and rollers installed on paper machines located in the Stora Enso Plant in Ostrołęka (Contract amount: PLN 37,8 million), Client: **S.A. (Poland)**



# New project as from 01.01.2022 (net amounts in PLN)

- Reconstruction of ammonia oxidation reactor domes d-2201 na I.a oraz I.b (Contract amount: PLN 24,22 million), Client: **Anwil S.A. (Poland)**
- Delivery and assembly cable trays on TATA Steel Blast Furnance no. 6-Ijmuiden Phase III (Contract amount: PLN 21,6 million), Client: **Tata Steel Ijmuiden B.V. (Niderlandy)**
- WIDEŁKA - extension of the railway unloading front - scope of works: prefabrication and assembly of technological pipelines, anti-corrosion protection of pipelines, dismantling of existing pipelines, retrofitting of installations, execution of all tests, tests and acceptances (Contract amount: PLN 19,9 million), Client: **ORLEN PROJEKT S.A. (Poland)**
- WIDEŁKA - increasing the storage capacity of the Fuel Bas - scope of works: Prefabrication and assembly of pipelines, prefabrication and assembly of pumping station buildings, delivery and assembly of pumps, modernization of tanks (delivery and assembly of connectors), assembly of the VRU unit (Contract amount PLN 15,4 million). Client: **ORLEN PROJEKT S.A. (Poland)**
- Design and construction of a photovoltaic installation PV Krotoszyn with a capacity to 5 MW (Contract amount PLN 13.37 million), Client: **Mithra L sp. z o. o. (subsidiary of PGE Energia Odnawialna S.A.) (Poland)**
- BP Gelsenkirchen TAR 2022 – mechanical works executed, during overhaul stop, on the Olefins installation. Execution of the mechanical works on the apparatus, valves, pipelines and machinery (value of works 13,2 mil. PLN), Client: Ruhr Oel GmbH bp Gelsenkirchen. (Germany) Prefabrication of crane elements (Contract amount: PLN 12 million), Client: **GRU Comedil – implementation in 2023 (Germany)**
- Construction of the Kotomierz Wind Farm, consisting of 2 Wind Turbines V112 with a capacity of 3MW each (Contract amount: PLN 11.95 million), Client: **Kotomierz sp. z o. o. sp. k. (A company belonging to the Windbud Sp. z o. o. based in Inowrocław and the Danish group Eurowind Energy A/S) (Poland)**

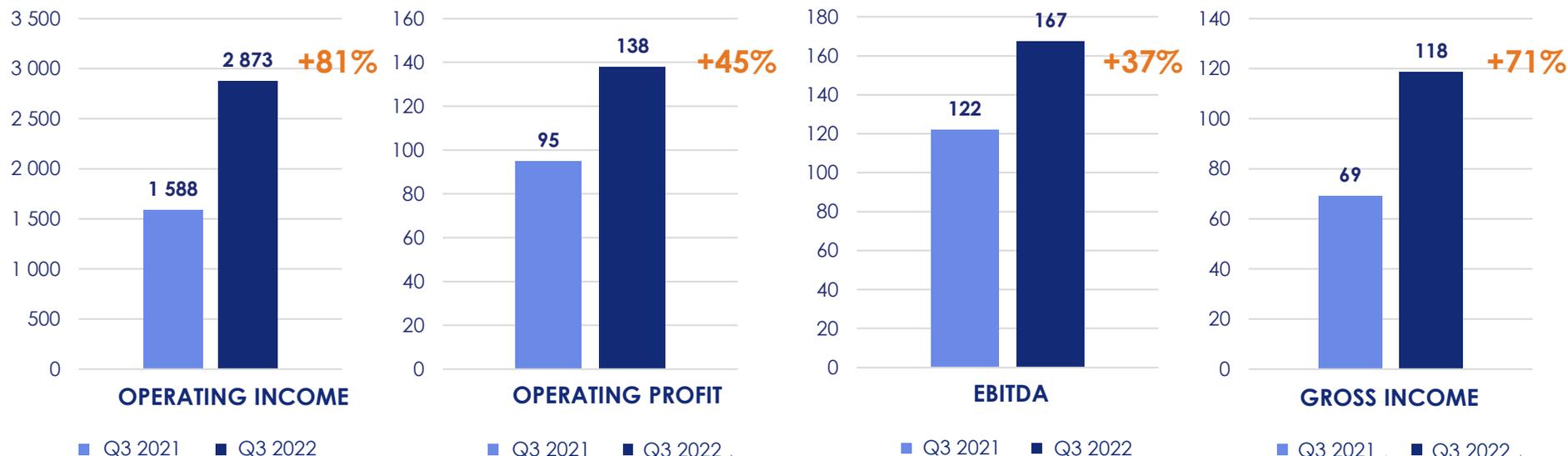




**SELECTED FINANCIAL DATA FOR Q 3 2022**

# Selected financial data for 3Q.2022 (in million PLN)

## Polimex Mostostal Capital Group

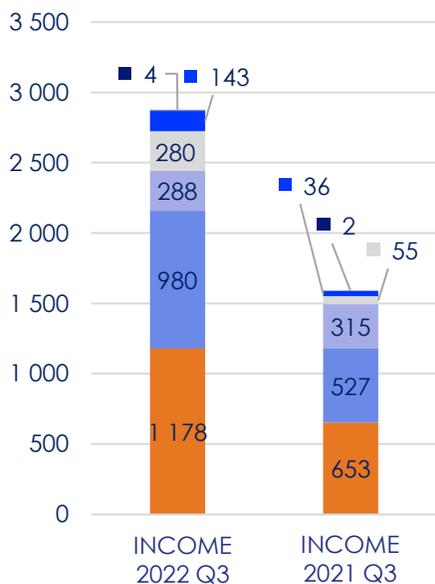


### COMMENT

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the Q3 2022 was PLN 2 873 million and are higher than operating revenues for Q3 2021 by PLN 1,285 million (+81%)
- EBITDA of the Capital Group for Q3 2022 amounted to PLN 167 million (5.8%) and is higher by PLN 45 million compared to the result for Q3 2021.
- The net result of the Capital Group for Q3 2022 is PLN 49 million higher than the result for Q3 2021 and is a margin 4,1%.

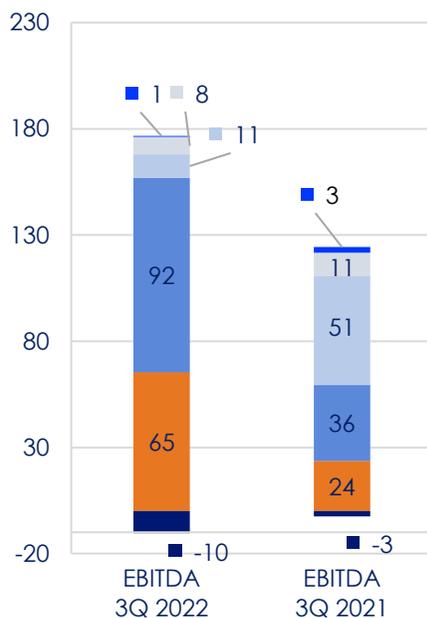
# Segments of the Capital Group in 3Q. 2021 r. (in mln PLN)

Segment Revenue  
PxM CG  
Q3.2022 vs Q3.2021



- Other activities
- Infrastructure construction
- Industrial construction
- Oil, gas, chemicals
- Production
- Power Engineering

EBITDA PxM CG  
Segments  
Q3.2022 vs Q3.2021



- Other activities
- Infrastructure construction
- Industrial construction
- Oil, gas, chemicals
- Production
- Power Engineering

Income GK.PxM  
Country/Abroad  
Q3.2022 vs Q3.2021



- Country
- Abroad

## KOMENTARZ

- The highest sales revenues were generated by Production and Power Sector – together, both segments accounted for 75% of total revenues.
- In Q3 2022, the highest results were generated by the Production Segment (EBITDA). In Q3 2021, it was the Oil, Gas, Chemical Segment.
- Revenues from international sales amounted to PLN 423 million and they constitute 15% of the total value of the Capital Group's revenues. In Q3 2021, it was a 29% share.

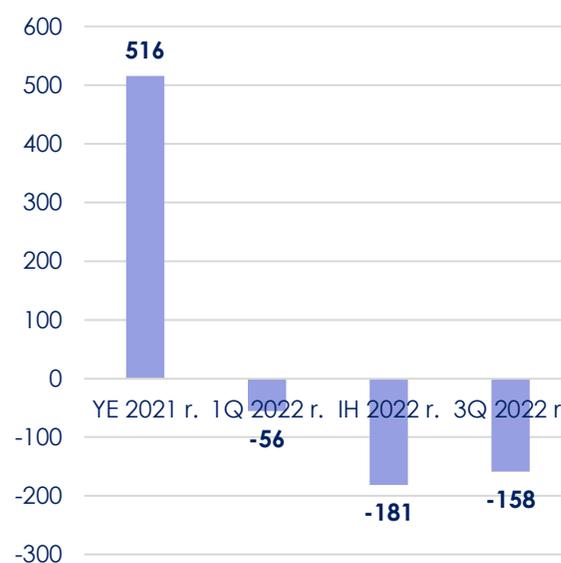
# Financial flows and indebtedness of Capital Group 3Q. 2022

(in million PLN)

### Net debt\* in relations to EBITDA LTM



### Net cash flow\*\*



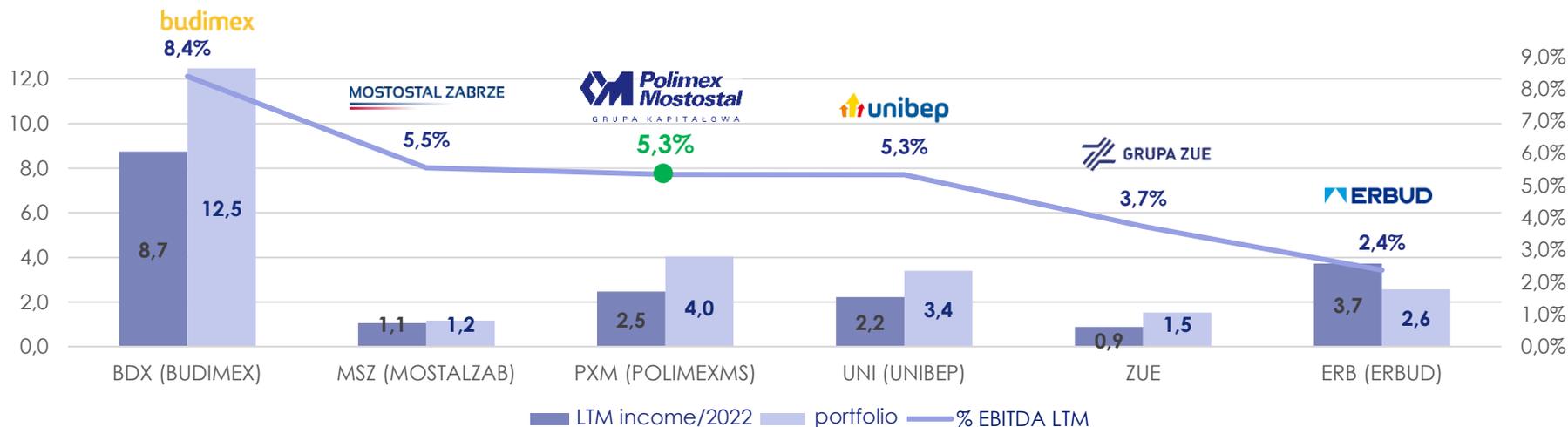
## NOTES

- The Capital Group is successively reducing its net debt. At the end of Q3. 2022 the balance of cash exceeded interest-bearing debt by PLN 506 million.
- Compared to the EBITDA LTM level (annualized level), the net debt amounted to -241%.

\* **Net debt** - total liabilities due to loans and bonds (short-term and long-term), less cash

\*\* **Net cash flow** – cumulative flows for a given financial

## Comparative analysis to WIG-BUD listed companies



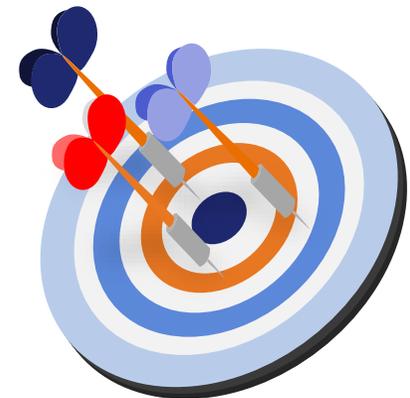
### COMMENTS

- The Polimex Mostostal Capital Group (GK.PxM) achieves an EBITDA (LTM) margin of 5.3%
- Portfolio of GK PxM contracts currently amounts to PLN 4,05 billion. It ensures stable revenues for the PxM Capital Group, the Portfolio / Revenue ratio in the case of the Polimex Mostostal Capital Group is 1.64. In the case of the compared companies, these ratios are as follows:
  - Budimex: 1,43
  - Mostostal Zabrze 1,11
  - Unibep 1,53
  - ZUE 1,72
  - ERBUD 0,69

#### ASSUMPTIONS:

- EBITDA, if it is not stated directly in the financial information of a given company, calculated as EBIT (operating result) increased by depreciation.
- Value of the portfolio signed on the basis of current information, news and comments on the financial situation of the mentioned companies.

- Maintaining the position of the EPC leader in the Power Sector with regards to large-scale energy investments on the Polish market based on our competences, our skilled personnel and our experience from the implemented projects, as well as from the projects currently in progress (m. in. Kozienice, Opole, Żerań).
- Strengthening competences in the implementation of projects from the wind energy and photovoltaic markets. Further development of activity in the Infrastructure and Cubature Construction Sectors.
- Improving the profitability of the production segment, among others based on synergy with ongoing EPC projects and activities carried out abroad.
- Continuation of the construction of a coal-fired unit at Zakłady Azotowe Puławy and construction of power units at the Dolna Odra power plant, new EC Czechnica, CCGT Rzeszów and Bydgoszcz.
- Diversification of the Capital Group's order portfolio – further increase in the value of non-energy projects in the structure of revenues.
- Mitigation of the effects of the war in Ukraine on ongoing projects.





C A P I T A L G R O U P



TECHNICAL SAFETY LEADER

The primary goal of Polimex Mostostal Capital Group is to implement projects that fulfil the expectations of our Clients, while adhering to the highest international quality, environmental protection and occupational health and safety standards, with due regard for corporate ethics.

Polimex Mostostal Capital Group has once again been granted the highest distinction in the area of workplace safety – the Golden Card of the Workplace Safety Leader for the years 2022-2023. The prize has been awarded by the Central Institute for Labour Protection – National Research Institute (CIOP-PIB).

May 12. at the ceremonial UDT Gala in Poznań, the President of the Management Board of Polimex Mostostal S.A. Krzysztof Figat received a distinction for maintaining a high standard of technical safety at Polimex Mostostal. The award was presented personally by Mr. Andrzej Ziółkowski, President of the Office of Technical Inspection and Mr. Adam Ogrodnik, Vice-President of the Office of Technical Inspection.



**Porozumienie**  
dla Bezpieczeństwa  
w Budownictwie



## Klienci



## Partnerzy



# International Markets – Our Clients



NESTE OIL



Oiltanking



ABB



Donges  
STEELTEC



uni  
per



THI  
TULSA  
HEATERS  
INC.



Saipem



Ruhrkühlturm



# International Markets – Our Partners





**BUILD THE FUTURE WITH US**

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**Polimex  
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